

The Honorable Ricardo S. Martinez

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

10 MICROSOFT CORPORATION,
11 Plaintiff,
12 v.
13 IMMERSION CORPORATION,
14 Defendant.

No. 2:07-CV-936-RSM

**DECLARATION OF STEPHEN P.
MCGRATH**

Noted for Consideration: July 18, 2008
Oral Argument Requested

16 I, Stephen P. McGrath, declare as follows:

17 1. I am a senior attorney in the litigation department at Microsoft. I am a
18 citizen of the United States, over the age of 18 years, and competent to make this
19 Declaration.

20 2. I was primarily responsible for overseeing Immersion's litigation against
21 Sony and Microsoft in the U.S. District Court for the Northern District of California,
22 on behalf of Microsoft filed on February 11, 2002.

23 3. On February 4, 2003, Microsoft and Immersion participated in an
24 unsuccessful mediation.

25 4. After that, the parties resumed settlement discussions.

DECLARATION OF STEPHEN P. MCGRATH
(No. 2:07-936-RSM)) - 1
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5. These discussions took place over a period of several weeks between April and July 2003.

6. During this time, in-house counsel for both parties were involved, as were business executives.

7. We held numerous telephone conversations, exchanged emails and conducted in person meetings both in Redmond, Washington, and in San Jose, California.

8. Eventually, Microsoft and Immersion settled and executed five agreements on July 25, 2003.

9. Many drafts of these agreements were exchanged between the parties, and both parties made many revisions to the language of the agreements.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and complete to the best of my knowledge.

SIGNED this 26th day of June, 2008, at Seattle, Washington.


Stephen P. McGrath

CERTIFICATE OF SERVICE

I, Margaret Friedmann, declare as follows:

I am over 18 years of age and a citizen of the United States. I am employed as a legal secretary by the law firm of Riddell Williams P.S.

On the date noted below, I electronically filed the foregoing document titled

DECLARATION OF STEPHEN P. MCGRATH with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following counsel for Immersion Corporation:

<p>Bradley S. Keller Jofrey M. McWilliam Byrnes & Keller LLP 1000 Second Avenue, 38th Floor Seattle, WA 98104-4082 Phone: (206) 622-2000; Fax: (206) 622-2522 Email: bkeller@byrneskeller.com jmcwilliam@byrneskeller.com</p>	<p>Richard M. Birnholz Morgan Chu Irell & Manella LLP 1800 Avenue of the Stars, Suite 900 Los Angeles, CA 90067-4276 Phone: (310) 277-1010; Fax: (301) 203-7199 Email: rbirnholz@irell.com mchu@irell.com</p>
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I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Executed at Seattle, Washington this 26 day of June, 2008.

Margaret R. Freedman

Margaret Friedmann
Legal Secretary, Riddell Williams P.S.
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